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# OPPORTUNITY IN RURAL AMERICA

*a story in pictures and words*

U. S. DEPARTMENT OF AGRICULTURE  
Farmers Home Administration  
Washington, D.C. 20250 • PA-785





## THE CENTRAL PROBLEM

### A Dreadful Price . . .

The proportion of families living in poverty is nearly twice as great in rural areas as it is in cities. There are about 2.6 million families and another one million people living alone in rural areas who are struggling to find the dignity of being self-reliant citizens.

The rural poor include more than six million children less than 18-years-old. Here lies the nucleus for an even greater problem tomorrow.

An estimated two-million low-income breadwinners are boxed-in. Many are hindered by physical or economic handicaps. Some lack needed job skills; others are too old or poorly educated to move into better paid work or, in some cases, into any kind of work at all. Nearly a million of these are farmers.

The educational level of farm workers, among the poorest of the poor, has remained about the same for 20 years.

This nation is paying and will continue to pay a dreadful price for rural poverty. And the really big, ugly bills will come due when the children of poverty—ill-trained, ill-educated, ill-prepared—take their place as heads of families and as breadwinners.





## POVERTY

### A National Concern . . .

“ . . . The Nation’s attack on poverty must be based on a change in national attitude. We must open our eyes and minds to the poverty in our midst. Poverty is not the inevitable fate of any man. The condition can be eradicated and since it can be, it must be.”

—PRESIDENT JOHNSON,  
Economic Report of the President,  
*The Problems of Poverty in America*,  
January 1964

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“ . . . In the war on poverty, the front line soldiers are the community and neighborhood leaders. The struggle will not be won until they win it—until you win it—in each city, in each rural county, in each block, in each village, in each hamlet.”

—Secretary of Agriculture  
ORVILLE L. FREEMAN,  
June 23, 1964





“ . . . Consider the living standard of a couple (middle-aged and older) existing on \$36 a week in a city or on \$21 a week on the farm. Think of living alone with \$28 a week in the city or \$17 a week on the farm. More than five million people have less than these amounts for housing, food, clothing and all other expenses.”

—SARGENT SHRIVER,  
Director of the U. S. Office of Economic Opportunity,  
June 1965

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“ . . . Farmers Home Administration’s mission from our beginning and yet today can be simply stated: To improve the lot, the prospects, and the opportunities of low-income rural families.”

—HOWARD BERTSCH,  
Administrator,  
Farmers Home Administration,  
January 1964



Leon Jones, 33,  
Dyersburg, Tenn.,  
expects to double 1965 income  
of \$2,200 in 1966  
as result of EO loan of  
\$2,100 to buy auto  
repair equipment.



## OUR CONCERN

The battle to combat rural poverty is not new to the Farmers Home Administration. This USDA agency has 30 years of experience in waging a ceaseless war against poverty on farms and, more recently, in rural communities.

From the very beginning, Farmers Home Administration's mission has been to improve the lot, the prospects, and the opportunities of low-income rural families.

Passage of the Economic Opportunity Act of 1964 by Congress enabled the agency to counsel and extend development credit to a broader range of rural people who do not have enough to live on. For the first time, Farmers Home Administration can make loans to finance small nonfarm enterprises, to help subsistence farmers buy a little more land in addition to equipment and other items needed for farming, and to finance a broad range of cooperatives serving poor farm families.

These new programs are operated by the Farmers Home Administration in cooperation with the U. S. Office of Economic Opportunity.





Nine peanut farmers in Jackson County, Fla., received \$6,410 Farmers Home Administration cooperative loan to buy weed killing, crop dusting and harvesting equipment.



## THE OPPORTUNITY LOAN PROGRAM

**Loans to Individuals:** Low-income farm and other rural families who need a small amount of capital to improve their incomes but have not previously been able to qualify for credit may now be eligible for loans under the Economic Opportunity program.

Farm families may receive loans to buy land, livestock, machinery and equipment, construct farm buildings, pay operating expenses, refinance debts on land, machinery and equipment, and finance cooperative membership.

Farm and other rural residents can finance non-agricultural enterprises. These loans may be used to purchase land, construct or repair buildings, buy and install equipment, refinance debts on property used in the business, and pay normal operating expenses of a variety of small enterprises.

A borrower's indebtedness for economic opportunity loans may not exceed \$3,500. Repayments are scheduled up to 15 years at 4½ percent interest.

**Loans to Cooperatives:** Financial assistance is given to associations furnishing essential marketing, purchasing or processing services to small farmers and other rural residents with limited incomes and resources. There is no dollar limit on these loans. They have a maximum 30-year repayment period at 4½ percent interest.





#### Example

### INDIVIDUAL LOANS

Thousands of low-income rural Americans are building security for themselves and their families as a result of developing their own ideas and opportunity loans into income-producing businesses.

Typical of these Americans is James Jones (front cover), 45, of Crocket Mills, Tenn. Several years ago he lost his hands when he touched a high voltage electric line while working on a power line in Indiana. He received a \$2,500 loan in May 1965 to buy a truck. Jones now cuts, hauls and sells firewood, which enables him to earn about \$2,500 a year.

#### Example

Irwin L. Weichelman, 36, father of three small children, sharpens plow shares in his machine shop at Hartington, Nebr. He was granted a \$2,180 loan in January

1966 to buy a portable welder and other equipment, and to enlarge his machine shop. He will be able to increase his 1966 income to nearly \$3,700, about 50 percent above the 1965 level.

#### Example

Mrs. Emma Jean Carpenter, Summerville, Tenn., places a piece of pottery in a kiln in her workshop at home. Mrs. Carpenter and her husband obtained a \$2,340 economic opportunity loan in May 1965 to expand the ceramics and flower shop. Her husband works as a carpenter and she used to work as a domestic. Before the loan they made \$3,200 between them, hardly enough to care for their seven children. With the business expanding, Mrs. Carpenter expects to earn about \$2,400—twice as much as before the loan—in 1966.





#### Example

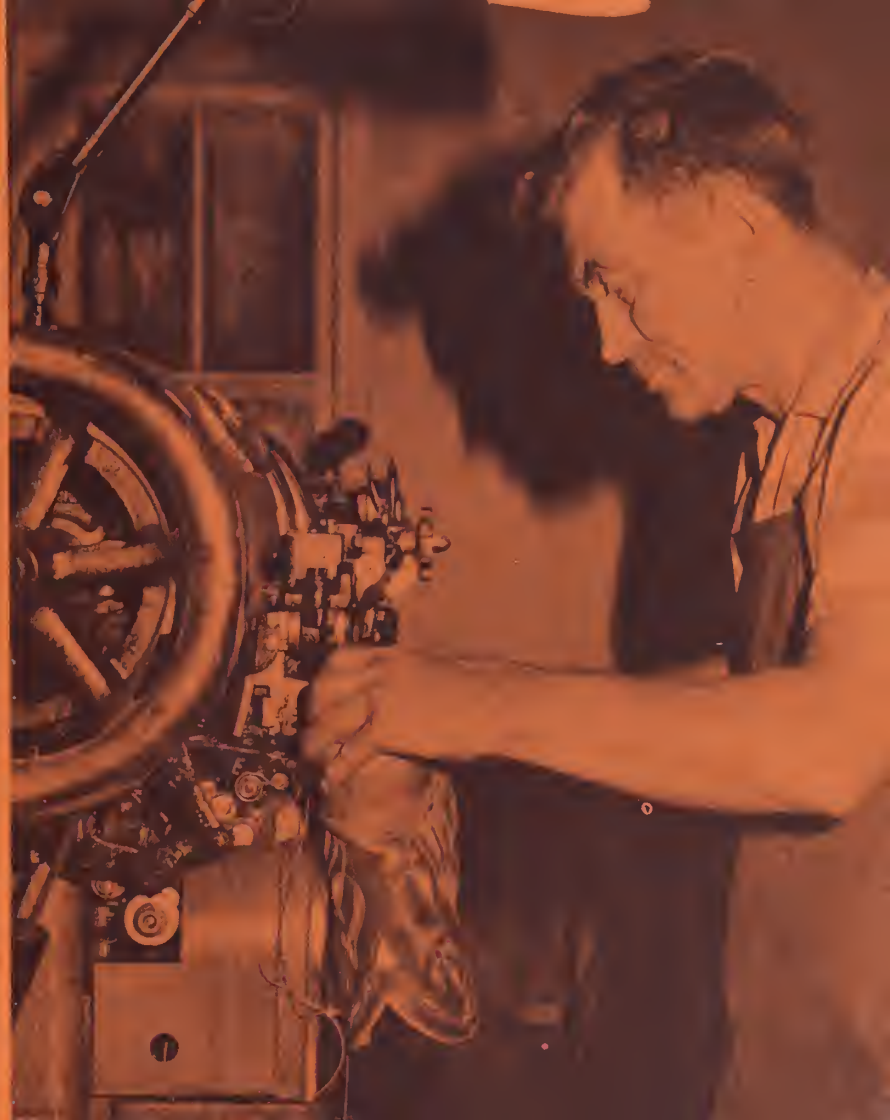
#### INDIVIDUAL LOANS

A \$1,600 economic opportunity loan from Farmers Home Administration enabled Mrs. Delilah Guy, 65, Shelby County, Tenn., to open a millinery and dress-making shop. In 1966, she expects to earn over \$1,200 or about twice as much as the year before. This income supplements assistance from a small pension and social security.

#### Example

### INDIVIDUAL LOANS

A Nebraska cobbler, James Hayes, put an economic opportunity loan to use by purchasing new equipment for his shoe repair business, the only shop of its kind serving the communities of Crofton and Hartington. He and his three children live in the rear of the shop. Business has increased since the new equipment was added. Hayes expects to triple his gross income which was about \$1,120 before the loan.







#### Example

### COOPERATIVE LOANS

In Saxis, Va. Clarence A. Byrd, a 23-year-old shellfish tonger, used a \$2,000 economic opportunity loan to buy a 40-foot boat and other equipment to expand his clamming operation. As a result of the loan, he nets from about \$100 to \$130 a week in season.

Up the coast, in Port Norris, N. J., a group of 25 shellfish tongers organized an oyster-packing cooperative. As the New Jersey Tongers Association, they borrowed \$20,500 from Farmers Home Administration to buy an abandoned packing plant. Through the cooperative, the tongers can now sell their catch in Philadelphia and New York outlets for double the price they received locally.



## Example

### COOPERATIVE LOANS

Cooperative effort is paying off for 30 low-income Mississippi farmers who formed the Hinds County Cooperative. They received a \$93,710 EO loan from Farmers Home Administration to buy three tractors, three discs, two cultivators, two cotton picking machines, a combine and other equipment. The new machinery, which they could not buy individually, has completely changed their farming operations — and their outlook on life. They are harvesting crops faster and with money-saving efficiency. The co-op met its first loan repayment of \$1,900 and still had \$3,000 left to defray operating expenses the coming year. Most important, the children did not have to miss a month of school to pick cotton.





Home Supervisor  
Mrs. Leolia G. Spaugh,  
of Farmers Home Administration  
Wake County, N.C., office,  
helps Mrs. Ralph Battle,  
Holly Springs,  
plan family budget.



## SUPERVISION

### A Key Factor . . .

"Farmers Home Administration saw us through until we could get credit elsewhere" is how a graduating borrower and his wife summarized the assistance through supervision and credit they received from the agency's county supervisor.

The county supervisor counsels with all applicants, from before their application is filed, through the loan-making process, to the time when they move on to other credit.

Each loan the agency makes is accompanied by technical management assistance. Men trained in farm and financial management, and in business analysis, weigh costs and returns, point out management practices that must be followed if the enterprise is to succeed.

In every county of the United States, through some 1,600 local offices, the Farmers Home Administration's county supervisor is on the scene helping borrowers become established on a sound basis as quickly as possible.

Assisting the county supervisor in helping low-income rural families solve their home management problems is a task force of 60 trained and dedicated home supervisors. The women chosen for this job are trained in home economics or social work or both. A large proportion of them are Negroes and Spanish-Americans. They are working out of county offices in economically hard-pressed areas of 22 states and Puerto Rico where there are large numbers of low-income farm and other rural families.







Southaven Farmers Market, Mississippi, was built with a 30-year, \$55,000 EO cooperative loan from Farmers Home Administration.

## HELPING RURAL COMMUNITIES

### A Movement to Self-Sufficiency . . .

The Economic Opportunity loan program has produced an important new tool for rural areas development by providing a source of credit to low-income rural families for the establishment of needed business services in small communities.

With the help of Opportunity loans, low-income families have financed over 350 different types of small income-producing businesses in rural communities. These loans were used mainly to purchase equipment and machinery, to build structures needed in the small business or to obtain tools that would increase efficiency.

As important as the development of broad new opportunities is for added income, these loans promote new and needed services, trades and businesses in some of the poorest and most isolated communities in the nation. They build individual skills and provide capital for grass-roots development.

As a result of operating the War on Poverty rural loan programs, Farmers Home Administration now has entered into closer relationships with agencies in the public welfare, vocational rehabilitation, and job training fields. Joint assistance has been worked out to promote self-support of families long kept in poverty by a handicap of the breadwinner.

Many economic opportunity loan borrowers are using the new credit program to move from welfare rolls to eventual self-sufficiency.







## THE SUMMARY

What, then, are the gains and the prospects in the continuing campaign of alleviating the conditions of rural poverty?

Perhaps, the most significant achievement is the growing awareness of the conditions in our rural areas that deprive low-income people of the opportunity to improve their situation.

The Farmers Home Administration estimates that over 250,000 of our nation's rural poor will have benefited from the Opportunity Loan program by the close of the 1967 fiscal year. These members of low-income families will have a better outlook on life, because of the rural loan program of the U. S. Office of Economic Opportunity that is administered by the Farmers Home Administration.

There is every evidence that the rural loan program is making it possible to open and keep open the doors of opportunity for the disadvantaged, both young and old, in our rural areas.

December 1966

U. S. GOVERNMENT PRINTING OFFICE : 1966 O-239-804